

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The Annual financial statements are prepared in accordance with the standards prescribed by the Institute of Municipal Financial Officers in its Code of Accounting Practice (1998) and Report on Published Annual Financial Statements (Second edition – January 1997)

1.1 The Annual financial statements are prepared on the historical cost basis, adjusted, for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year except if otherwise indicated.

1.2 The Annual financial statements are prepared on the accrual basis. Unless otherwise stated:

- Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licenses.
- Expenditure is accrued in the year it is incurred.

2. CONSOLIDATION

The balance sheet includes Rates and General Services, Housing Services, Trading Services as well as the various funds, reserves and provisions. All inter-departmental transactions have been offset against each other, with the exception of assessment rates, electricity, refuse removal and water, which have been shown as income and expenditure under the respective departments.

3. FIXED ASSETS

3.1 COST

Fixed assets are stated:

- at historical cost; or
- at valuation (based on market price at the date of acquisition) where assets have been obtained by means of grants or donations.

This is applicable while assets in existence and fit for use, except in the case of bulk assets, which are written off at the end of their estimated life as determined by the Treasurer.

3.2 DEPRECIATION:

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation. However, certain structural differences between the two concepts do exist. In terms hereof assets financed from "Provisions" are written off over their estimated useful life. In addition to the various Council funds assets can also be acquired as follows:

- Appropriations from income, where the total cost of an asset becomes an immediate and direct charge against the operating income, and it is therefore not necessary to make any further provision for depreciation.
- Grants or donations where the amount which represents the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.
- All net returns from the sale of fixed property (land) ARE credited to the Public Improvement Fund. The net returns on the sale of all other assets are credited to the respective Capital Development Fund.
- Loans and advances are repaid over the estimated useful life of the asset which is financed from such loan or advance. Advances are redeemed according to the fixed instalment method and commence in the year which follows the financial year in which the advance was made. Interest is charged to the service concerned at the ruling interest rate applicable at the time the loan was negotiated or in the case of advances, at the interest rate as determined by the Council in terms of Section 103 of Local Authorities Ordinance, for Natal Province (25 of 1974).

4. LEASED ASSETS:

Where the substance of the lease agreement is that risks and rewards of ownership of an asset are to be transferred to Mpofana Municipality, the transaction is accounted for as a finance lease. Assets acquired under the finance lease agreements are capitalised at the cash costs equivalent, and lease payments are allocated between the lease finance costs and the capital repayment using the effective interest rate method.

All other leases are treated as operating leases. Rentals payable under operating leases are charged to Income on a straight line basis over the term of the relevant lease.

5. STOCK

Stock is valued at historic cost, determined using FIFO method. Stock that is surplus or in deficit at the year end stock take is brought to account when the Council resolved to write-off deficits and approves surpluses.

6. FUNDS AND RESERVES

6.1 CAPITAL DEVELOPMENT FUND

The Capital Development Fund (Ordinance 25 of 1974) as amended requires that a local authority makes a minimum contribution of 1% of its defined income from the current financial year to the fund. Advances are made to borrowing services at an interest rate which is determined annually and approved by Council.

6.2 LEAVE PAY RESERVE

The Leave Pay Reserve is to provide for leave payments to all employees on the anticipation of resignations or death or retirement from service during the year.

6.3 BAD DEBT

Provision for bad debts has been provided for all debts which have not been paid for a period of 30 days and above. This has changed from 90 days in 2006/2007 to 30 days in 2007/2008 due to high level of indigent customers.

6.4 RESTRUCTURE RESERVE

This reserve was created on instruction from the Department of Finance to address the socio imbalance of the past with respect to the disadvantaged areas.

7. RETIREMENT BENEFITS

Mpofana Municipality employees contribute to the Natal Joint Pension Fund and Mpofana Municipality Councillors contribute to the Municipal Councillors Pension fund. Ex-Bruntville employees contribute to the Sala Pension Fund.

The retirement benefit plan is subject to the Pension Act 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating expenditure on the basis of current service costs. Full actuarial valuations are performed at least every three years.

8. SURPLUSES AND DEFICITS

All surpluses or deficits arising from the operation of the Electricity, Water, Sewerage and Rates and General Services are kept in the relevant funds.

9. TREATMENT OF ADMINISTRATIVE AND OTHER OVERHEAD EXPENSES

The cost of internal support services are transferred to the different services in relation to the income generated by each service.

10. INVESTMENTS

Investments are in accordance with the provision of the Local Authorities Ordinance No. 25 of 1974. Interest accrued at 30 June 2009 on all investments was brought to account and capitalised as investments and reserves adjusted accordingly.

11. INCOME RECOGNITION

11.1 ELECTRICITY BILLINGS

- Meters are read and billed on a monthly basis.



11.2 ASSESSMENT RATES

- A general rate is levied on both the land and building values of a property. Rebates are granted as per the property rates policy and MPRA provisions.

11.3 UNALLOCATED INCOME

- Income deposited directly into the Municipality's bank account without reference numbers and account numbers will be recorded in a suspense account and the Municipality shall investigate depositors in a manner possible. Any monies unclaimed within the financial year shall be written off to appropriation account at year end.

MPOFANA LOCAL MUNICIPALITY

BALANCE SHEET AS AT 30 JUNE 2009.

	Note	2008/2009 R	2007/2008 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		39,187,780	37,919,627
FUNDS	1	12,727,755	12,599,291
RESERVES	2	26,460,025	25,320,336
ACCUMULATED (DEFICIT)/RETAINED SURPLUS	18	3,242,512	4,346,372
		<u>42,430,292</u>	<u>42,265,999</u>
TRUST FUNDS	3	-	-
LONG-TERM LIABILITIES	4	506,248	638,118
CONSUMER DEPOSITS: SERVICES	5	225,565	225,060
		<u>43,162,105</u>	<u>43,129,177</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	1,283,641	1,283,641
INVESTMENTS	7	1,539,946	2,284,211
LONG TERM DEBTORS	8	347,224	463,172
		<u>3,170,811</u>	<u>4,031,024</u>
NET CURRENT ASSETS/LIABILITIES		39,991,294	39,098,153
CURRENT ASSETS		51,771,142	45,189,504
STOCK ON HAND	9	294,159	108,232
DEBTORS	10	24,775,813	20,806,951
CASH - TMT	31	160,688	785,509
SHORT-TERM PORTION OF INVESTMENTS	7	24,920,087	23,036,133
PETTY CASH		800	800
VAT	11	1,452,064	282,134
SHORT TERM PORTION OF LONG TERM DEBTORS: INTEREST	8	66,271	83,173
SHORT TERM PORTION OF LONG TERM DEBTORS	8	101,260	86,572
CURRENT LIABILITIES		(11,779,848)	(6,091,351)
PROVISIONS	12	547,723	627,504
CREDITORS	13	6,501,881	3,776,372
SHORT TERM PORTION OF LONG TERM LIABILITIES: INTEREST	4	90,986	83,173
SHORT TERM PORTION OF LONG TERM LIABILITIES	4	115,236	98,602
BANK OVERDRAFT	31	4,524,022	1,505,700
		<u>43,162,105</u>	<u>43,129,177</u>

MPOFANA LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009.

2007/2008 Actual Income R	2007/2008 Actual Expenditure R	2007/2008 (Deficit)/ Surplus R	2008/2009 Actual Income R	2008/2009 Actual Expenditure R	2008/2009 (Deficit)/ Surplus R	2008/2009 Budget (Deficit)/ Surplus R
31,768,560	20,521,536	11,247,024	38,670,767	26,093,799	12,576,968	15,450,854
27,423,850	16,825,609	10,598,241	36,576,121	21,681,205	14,894,916	24,459,760
71,564	2,328,918	(2,257,354)	87,483	2,592,715	(2,505,232)	(4,532,372)
4,273,146	1,367,009	2,906,137	2,007,163	1,819,879	187,284	(4,476,534)
301,281	136,734	164,547	411,447	273,693	137,754	-672,513
12,748,555	12,627,776	120,779	17,863,326	18,408,903	(545,577)	(6,220,514)
<u>44,818,396</u>	<u>33,286,046</u>	<u>11,532,350</u>	<u>56,945,540</u>	<u>44,776,395</u>	<u>12,169,145</u>	<u>8,557,827</u>
		(5,515,591)			(13,273,005)	
		6,016,759			(1,103,860)	
		(19,618)			4,346,372	
		(1,650,769)				
		UNAPPROPRIATED SURPLUS(DEFICIT) AT				
		4,346,372			3,242,512	
		THE END OF THE YEAR				



MPOFANA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009.

	Note	2008/2009 R	2007/2008 R
CASH RETAINED FROM OPERATING ACTIVITIES:		(19,249,373)	759,674
Cash generated by operations	19	(30,748,870)	(3,810,928)
Investment income		117,119	43,949
Decrease / (Increase) in working capital	20	(1,429,280)	(5,524,595)
		(32,061,032)	(9,291,574)
LESS: External interest paid		(134,665)	(206,667)
CASH AVAILABLE FROM OPERATIONS		(32,195,697)	(9,498,241)
Cosumer Deposits Refunded/(Received)		(505)	(30,642)
Cash contributions from the public and State		12,946,828	10,288,557
NET proceeds on disposal of fixed assets		-	-
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in Fixed Assets		18,133,185	5,349,861
NET CASH FLOW		(1,116,189)	6,109,535
CASH EFFECTS OF FINANCING ACTIVITIES:			
(Decrease) / Increase in Long-term Loans	21	(115,236)	(598,617)
(Decrease)/ Increase in short term loan	22	24,447	-
Decrease / (Increase) in Long-term Debtors	8	101,260	86,572
Decrease/ (Increase) in Cash Investments	23	(1,139,689)	(3,479,563)
(Decrease)/ Increase in Bank Overdraft	24	2,245,407	(2,117,927)
NET CASH (GENERATED)/UTILISED		1,116,189	(6,109,535)



MPOFANA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2009.

	Notes	2008/2009	2007/2008
1. FUNDS			
Consolidated Capital Development Fund		11,156,818	11,028,354
Housing Fund		-	-
Public Improvement Fund		1,570,937	1,570,937
(Refer to appendix A for more detail)		<u>12,727,755</u>	<u>12,599,291</u>
2. RESERVES			
Investments Reserve		228,507	207,994
Business Call Account - Reserve		145,366	132,316
Inter-Departmental Grant - Reserve		105,278	96,028
Electricity Network Upgrade - Reserve		6,468,638	8,122,167
IDP Reserve (Province)		159,285	144,986
ABSA Investment Account - Reserve		932,249	869,862
MPRA Implementation Grant - Reserve		3,084	2,925
CMIP Project Fund - Reserve		377,244	343,379
Municipal Assistance Programme - Reserve		10,000	208,475
LED Grant - Reserve		294	294
Transitional Grant - Reserve		587,221	534,506
LUMS Grant - Reserve		82,283	75,270
Finance System & Admin. Building - Reserve		10,184	9,734
Revolving Account - Reserve		11,692	10,976
MSIG Grant - Reserve		2,060	1,986
Grant Municipality - Reserve		2,484	2,393
Tourism		46,730	42,790
C.C.I. Grant - Reserve		47,730	43,705
Environmental Health Project Grant - Reserve		373	373
Craigieburn Housing Project Grant - Reserve		7,371,224	5,263,823
Finance Management Grant - Reserve		608,507	553,729
Capacity Building - Planning & Development - Reserve		83,711	76,576
MFMA Implementation Grant - Reserve		4,466	4,296
City of Jansua - Project Initiative - Reserve		9,422	9,060
Community Development Workers Fund - Reserve		10,000	33,971
HIV / Aids Grant - Reserve		83,050	75,972
Town-view Housing Project Grant - Reserve		8,962,264	7,520,481
Municipal Reserves Account		16,793	849,999
Gijima Project Reserves		23,771	21,791
Seda Project Funds		66,114	60,479
(Refer to appendix A for more detail)		<u>26,460,025</u>	<u>25,320,336</u>
3. TRUST FUNDS			
CMIP Projects Funds		-	-
(Refer to appendix A for more detail)		<u>-</u>	<u>-</u>
4. LONG TERM LIABILITIES			
Annuity Loans		621,484	736,720
		<u>621,484</u>	<u>736,720</u>
Less: Portion Transferred to current Liability		115,236	98,602
		<u>506,248</u>	<u>638,118</u>
Interest Payable within a year		90,986	83,173
		<u>101,260</u>	<u>98,618</u>

Current & Prior year figures in respect of Annuity Loans, Interest Payable and Short Term Portion of Long Term Liabilities have been restated as a result of Water & Sanitation DBSA Loans which were transferred to uMgungundlovu District Municipality when the function for the supply of Water & Sanitation was transferred back to the District as per the signed Service Level Agreements and the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), MSA.



MPOFANA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2009.

	Notes	2008/2009	2007/2008
5. CONSUMER DEPOSITS			
Electricity		178,068	179,200
Water		-	-
Other		47,497	45,860
		<u>225,565</u>	<u>225,060</u>
6. FIXED ASSETS			
Fixed assets at beginning of year		42,361,322	37,064,645
Capital outlay during year		18,133,185	5,349,861
Less: Assets written off during year		-	(53,184)
TOTAL FIXED ASSETS		<u>60,494,507</u>	<u>42,361,322</u>
Less: Loans redeemed and other capital receipts		<u>(59,210,866)</u>	<u>(41,077,681)</u>
NET FIXED ASSETS		<u>1,283,641</u>	<u>1,283,641</u>
The 2007/2008 figures have been restated and excludes assets iro Water & Sanitation and these will be physically transferred to uMgungundlovu District Municipality on take over of functions.			
		<u>19,101,653</u>	<u>19,101,653</u>
(Refer to appendix C and section 2 of the Treasurer's report for more details on assets)			
7. INVESTMENTS			
Other Investments - 32 Day Notice Account		1,539,946	2,284,211
New Republic Bank Investments	31	378,919	482,899
Provision on NRB impairment		<u>-378,919</u>	<u>-482,899</u>
		<u>1,539,946</u>	<u>2,284,211</u>
prior year investments also reduced by the provision so as to restate comparatives previously disclosed as			
			2,767,110
UNLISTED:			
Short-Term Deposits		23,559,797	21,596,650
Other Deposits		1,360,290	1,439,483
short term investment		<u>24,920,087</u>	<u>23,036,133</u>
TOTAL INVESTMENTS	31	<u>26,460,033</u>	<u>25,320,344</u>
Market value of listed investments, and managements' valuation of unlisted investments			
Listed investments		-	-
Unlisted Investments		<u>24,920,087</u>	<u>23,036,133</u>
Amounts Used As Security for Bank Overdraft.			
The Municipality has an overdraft facility with FNB. This overdraft facility was approved at council on 10 April 2007.			
		<u>2,000,000</u>	<u>2,000,000</u>
Securities		<u>1,200,000</u>	<u>1,200,000</u>
Business Call Account		200,000	200,000
Transitional Grant		500,000	500,000
ABSA Investment Account		500,000	500,000
8. LONG TERM DEBTORS			
Sewer Loans		333,168	422,974
Water Loans		<u>115,316</u>	<u>126,770</u>
		448,484	549,744
Less: Short-term portion of long-term debtors transferred to current assets		-	-
		<u>101,260</u>	<u>86,572</u>
		347,224	463,172
Interest payable within a year		<u>66,271</u>	<u>83,173</u>
Long-Term Debtors relates to Loan Agreements which were entered into between the Municipality and DBSA for the Water & Sanitation scheme. This function was transferred to uMgungundlovu but the DBSA loan agreements could not be ceded. The corresponding receivable is reflected as a long term debtor. Refer to Note 4 above.			



MPOFANA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2009.

	Notes	2008/2009	2007/2008
9. STOCK ON HAND			
Main Store		294,159	96,050
Diesel Store		-	12,182
Petrol Store		-	-
		<u>294,159</u>	<u>108,232</u>
10. DEBTORS			
Consumer Debtors		49,930,136	40,977,011
Refuse Debtors		-	-
Housing Debtors		-	-
Consumer Vat Liability		(4,915,087)	(1,435,542)
Interest on Arrears - Debtors		-	-
Consumers Vat		4,897,531	1,417,987
Other debtors		110,885	112,026
Amount Reconciled at year end Balance		-	-
Rates		-	-
Consumers - Abeyances		-	-
Consumers - Abeyances Vat		-	-
		<u>50,023,465</u>	<u>41,071,482</u>
Less: Provision for Bad Debts		<u>(25,247,651)</u>	<u>(20,264,531)</u>
		<u>24,775,813</u>	<u>20,806,951</u>
11. OTHER CURRENT ASSETS			
Vat Repaid		1,452,064	282,134
Assets Written Off		-	-
VAT on Erven		-	-
		<u>1,452,064</u>	<u>282,134</u>
12. PROVISIONS			
Accrued Leave		547,723	627,504
Investment Write Off		-	-
Working Capital Provision		-	-
(Refer to appendix A for more detail)		<u>547,723</u>	<u>627,504</u>
13. CREDITORS			
Water & Sanitation Revenue		1,177,680	577,483
Prior year adjustment to Water and Sanitation	29	-	19,618
Trade Creditors		2,201,727	1,552,985
Other Sundry Creditors		3,122,474	1,626,286
		<u>6,501,881</u>	<u>3,776,372</u>
14. ASSESSMENT RATES			
Categories		Land & Buildings	Land & Buildings
Residential		R 0.0100	-
Commercial		R 0.3500	-
P/Service Infra		R 0.0125	-
Agricultural		R 0.0100	-
Tariffs for 2008/2009 year cannot be compared to 2007/2008 due to change in the method of valuation in resulting from implementation of MPRA.			
15. COUNCILLORS' REMUNERATION			
Mayor's Allowance		311,445	296,420
Speaker's Allowance		-	-
Councillors' Allowance		972,840	708,969
Councillors' Pensions Contributions		145,926	102,187
		<u>1,430,211</u>	<u>1,107,576</u>
The Councillors Salaries, Allowances and Benefits are in terms of upper limits determined by the MEC for Local Government in terms of Government Notice No. R653 Dated 30 June 2008.			



MPOFANA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2009.

	Notes	2008/2009	2007/2008
16. AUDITORS' REMUNERATION			
Audit Fees		808,872	365,910
17. FINANCE TRANSACTIONS			
Total External Interest Earned or Paid:			
Interest Earned		117,119	43,949
Interest Paid		134,665	206,667
Capital Charges Debited to Operating Account:			
Interest: External		-	-
Interest: Internal		-	-
Redemption: External		115,236	598,618
Redemption: Internal		-	-
Deferred Charges Written Off		-	-
		367,020	849,234
18. APPROPRIATIONS			
APPROPRIATION ACCOUNT:			
Accumulated Surplus at beginning of year	30	4,346,372	(1,650,769)
Operating surplus / (deficit) for the year		12,169,145	11,532,350
Prior year adjustment	30	-	(19,618)
Appropriations for the year		(13,273,005)	(5,515,591)
Contributions to Capital Development Fund		-	-
Contributions to Capital Expenditure:		-	-
Appropriations Income		-	-
Expenditure previous year		-	-
Accumulated surplus/(deficit) at end of year		3,242,512	4,346,372
Operating Account:			
Capital Expenditure		249,763	262,471
Contributions to:			
Audit Fees		808,872	365,910
Accrued Leave		(79,781)	67,076
Bursary Fund		-	-
Capital Reserve		-	-
Capital Development Fund		128,465	367,536
Expenditure Previous Year		-	-
		1,107,318	1,062,993
19. CASH GENERATED BY OPERATIONS			
Surplus/(Deficit) for year		12,169,145	11,532,350
Adjustments in respect of:			
Previous years' operating transactions		(13,273,005)	3,911,610
Appropriations charged against income:		5,361,348	6,117,429
. Capital Development Fund		128,465	367,536
. Provisions and Reserves		4,983,120	5,487,422
. Fixed Assets		249,763	262,471
Capital Charges:			
. Interest Paid:			
- to internal funds		88,385	-
- on external funds		134,665	206,667
. Redemption:			
- of internal advances		-	-
- of external loans		115,236	512,061
. Deferred charges written off		-	-
Government and Provincial Grants and Subsidies		(12,946,828)	(10,288,557)
Investment income (operating account)		(117,119)	(43,949)
Non-operating income:			
. Net income from Insurance Fund		-	-
Non-operating expenditure:			
. Expenditure charged against Provisions and Reserves		(22,192,313)	(15,758,539)
. Expenditure Funds		-	-
		(30,748,870)	(3,810,928)



MPOFANA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2009.

	Notes	2008/2009	2007/2008
20. DECREASE /(INCREASE) IN WORKING CAPITAL			
Decrease / (Increase) in Stock on Hand		(185,927)	2,597
Decrease / (Increase) in Debtors		(3,968,862)	(5,233,301)
(Decrease) / Increase in Creditors		2,725,509	(293,891)
		<u>(1,429,280)</u>	<u>(5,524,595)</u>
21. (DECREASE)/INCREASE IN LONG-TERM LOANS (EXTER)			
Loans repaid		(115,236)	(598,617)
		<u>(115,236)</u>	<u>(598,617)</u>
22. (DECREASE)/INCREASE IN SHORT TERM LOANS(INT)			
Loans repaid		24,447	-
		<u>24,447</u>	<u>-</u>
23. DECREASE/(INCREASE) IN EXTERNAL INVESTMENTS			
Investments realised		-	-
Investments made		(1,139,689)	(3,479,563)
		<u>(1,139,689)</u>	<u>(3,479,563)</u>
24. (DECREASE)/INCREASE CASH ON HAND			
Cash balance at the beginning of the year		(2,117,927)	(2,838,118)
Less: Cash balance at the end of the year	31	(4,363,334)	(720,191)
		<u>2,245,407</u>	<u>(2,117,927)</u>
25. MUNICIPAL MANAGER'S & DIRECTORS' REMUNERATION			
Municipal Manager		614,589	392,999
Chief Financial Officer		391,680	346,202
Other 3 Managers Reporting to Municipal Manager		1,264,178	1,004,409
		<u>2,270,448</u>	<u>1,743,610</u>
26. THIRD PARTY PAYMENTS IN RESPECT OF ALL EMPLOYEES			
SARS - PAYE		1,386,817	1,017,341
- U.I.F		175,279	143,277
- SDL		109,925	88,214
Pensions		2,015,796	1,853,057
Medical Aid		677,356	594,295
		<u>4,365,173</u>	<u>3,696,184</u>
27. RELATED PARTY TRANSACTIONS - COUNCILLOR T. PRATSCH			
The Municipality has a credit facility for the purchase of fuel and oil for Municipal vehicles. The owner of the Caltex Service Station used is a Councillor of the Municipality.			
The business transaction was entered into in the year 2000 prior to the owner becoming a Councillor.			
Value of the transactions were:		<u>350,402</u>	<u>369,425</u>
28. CAPITAL COMMITMENTS			
Commitments in respect of capital expenditure:			
Approved and contracted for		11,072,626	-
Infrastructure For Roads upgrade		<u>18,416,914</u>	<u>-</u>
		<u>-7,344,287</u>	<u>-</u>
Gwala Park		19,806,234	-
Approved		<u>20,453,780</u>	<u>-</u>
Less spent		<u>-647,545</u>	<u>-</u>
		<u>30,878,860</u>	<u>-</u>
This expenditure will be financed from:			
External sources		<u>30,878,860</u>	<u>-</u>



MPOFANA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2009.

	Notes	2008/2009	2007/2008
29 SUPPLY CHAIN MANAGEMENT			
The supply Chain process was waived for the appointment of the Social Facilitator -Town View housing project .			
The procurement of these services was regarded as an emergency.		259,000	-
30 PRIOR TEAR ADJUSTMENT			
30.1 A prior year adjustment has been made to creditors and Accumulated Surplus at the beginning of the year as Water deposits were not taken into account in the Water and Sanitation creditors. Refer to note 13 and note 18.		-	19,618
30.1.1 The prior year comparative figures have been restated due to an error in the disclosure of the NRB provision.The effect of the adjustment is previously reported balance included in investment and reserves adjustment			482,899
restated balance			-482,899
30.2 The Accumulated Surplus at the beginning of the 2007/08 year has been renstated due to a mathematical error of R584, 584 and R5, 237 which were erroneously included in Fixed Assets figure.			
Accumulated Surplus 2007/2008		-	1,060,948
Difference Total Fixed Assets 2007/2008		-	584,584
Difference Bank Overdraft 2007/2008		-	5,237
Restated Amount			1,650,769

31. MUNICIPAL BANK ACCOUNTS

Account Name / Description of Account		Type of Account	Account Number	Name of Bank	Notes	2008/2009 Amount in Rands	2007/2008 Amount in Rands
BANK ACCOUNTS							
Mpofana Municipality - NRB		Deposit Account	00520730049	New Republic Bank	7	378,919	482,899
Mpofana Municipality - Current Account		Current Account	53050399907	First National Bank	24	(4,524,022)	(1,505,700)
Mpofana Municipality - TMT		Deposit Account	62101108034	First National Bank		160,688	785,509
INVESTMENT ACCOUNTS							
Mpofana Municipality - Investment		Money Market	62172498183	First National Bank		228,508	207,994
Mpofana Municipality - Business Call		Money Market	62172488671	First National Bank		145,366	132,316
Mpofana Municipality - LED		Money Market	62014898508	First National Bank		294	294
Mpofana Municipality - Transitional Grant		Money Market	62172488085	First National Bank		587,221	534,506
Mpofana Municipality - Financial Systems Grant		Money Market	62032163511	First National Bank		10,185	9,734
Mpofana Municipality - GRANT		Money Market	62036716746	First National Bank		2,484	2,393
Mpofana Municipality - Revolving Account		Money Market	62172493076	First National Bank		11,692	10,976
Mpofana Municipality - MAP		Money Market	62172493935	First National Bank		10,000	208,475
Mpofana Municipality - IDP Grant		Money Market	62172494496	First National Bank		159,285	144,986
Mpofana Municipality - Tourism Grant		Money Market	62172494743	First National Bank		46,730	42,790
Mpofana Municipality - LUMS Grant		Money Market	62172494967	First National Bank		82,283	75,270
Mpofana Municipality - CMIP Grant		Money Market	62172496004	First National Bank		377,261	343,379
Mpofana Municipality - MSIG		Money Market	62066847553	First National Bank		2,060	1,986
Mpofana Municipality - CCI Grant		Money Market	62172495361	First National Bank		47,730	43,705
Mpofana Municipality - HIV AIDS Grant		Money Market	62172495147	First National Bank		83,050	75,972
Mpofana Municipality - Capacity Building		Money Market	62172496476	First National Bank		83,711	76,576
Mpofana Municipality - IDP Grant		Money Market	62172496880	First National Bank		105,278	96,029
Mpofana Municipality - MPRA Grant		Money Market	62081700736	First National Bank		3,085	2,925
Mpofana Municipality - MFMA Grant		Money Market	62093645269	First National Bank		4,467	4,296
Mpofana Municipality - City of Jansua		Money Market	62095188803	First National Bank		9,422	9,060
Mpofana Municipality - Townview Housing		Money Market	62187203957	First National Bank		8,962,264	7,520,481
Mpofana Municipality - Environmental Health Grant		Money Market	62110832731	First National Bank		373	373
Mpofana Municipality - CDW Grant		Money Market	62172497672	First National Bank		10,000	33,971
Mpofana Municipality - FMG		Money Market	62134172890	First National Bank		608,508	553,729
Mpofana Municipality - Craigeburn Housing		Money Market	62141712001	First National Bank		7,371,224	5,263,824
Mpofana Municipality - Electricity Grant		Money Market	62172494743	First National Bank		6,468,637	8,122,167
Mpofana Municipality - Municipal Reserve Account		Money Market	62173946040	First National Bank		16,792	849,999
Mpofana Municipality - Gijima		Money Market	62150489831	First National Bank		23,771	21,791
Mpofana Municipality - Seda Project Funds		Money Market	62182829005	First National Bank		66,114	60,475
Mpofana Municipality - ABSA		Deposit Account	06303799366	ABSA Bank		932,239	869,862
TOTAL INVESTMENTS					7	26,460,033	25,320,334



MPOFANA LOCAL MUNICIPALITY

APPENDIX A

ACCUMULATED FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS AS AT 30 JUNE 2009

	Balance at 30/06/2008 R	Contributions During the year R	Interest on Investments R	Other Income R	Expenditure During the year R	Capital Exp. During the year R	Balance at 30/06/2009 R
ACCUMULATED FUNDS							
Consolidated Capital Development Fund	11,028,354	128,464	-	-	-	-	11,156,818
Public Improvement Fund	1,570,937	-	-	-	-	-	1,570,937
Housing Operating Account	-	-	-	-	-	-	-
	12,599,291	128,464	-	-	-	-	12,727,756
TRUST FUNDS							
CMIP Project Fund	-	-	-	-	-	-	-
RESERVES							
Investments Reserve	207,094	-	20,513	-	-	-	228,507
Business Call Account - Reserve	132,316	-	13,050	-	-	-	145,366
Inter-Departmental Monitoring - Reserve	96,028	-	9,250	-	-	-	105,278
Electricity Network Upgrade - Reserve	8,122,167	656,252	657,311	-	(2,967,091)	-	6,468,638
ID P Reserve (Province)	144,585	-	14,259	-	-	-	158,845
ABSA Investment Account - Reserve	869,862	-	62,387	-	-	-	932,249
MPRA Implementation Grant - Reserve	2,925	-	159	-	-	-	3,084
CMIP Project Fund - Reserve	343,379	-	33,865	-	-	-	377,244
Municipal Assistance Programme	208,475	-	20,561	-	(219,036)	-	10,000
LED Grant - Reserve	294	-	-	-	-	-	294
Transitional Grant	53,450	-	52,715	-	-	-	587,221
LUMS Grant - Reserve	75,270	-	7,013	-	-	-	82,283
MSIG Grant - Reserve	1,988	-	74	-	-	-	2,060
Revolving Account - Reserve	10,976	-	716	-	-	-	11,692
Finance System & Admin. Building	9,734	-	450	-	-	-	10,184
Grant Municipality - Reserve	2,393	-	91	-	-	-	2,484
Tourism	42,792	-	3,940	-	-	-	46,730
CCJ Grant - Reserve	43,785	-	4,015	-	-	-	47,730
Environmental Health Project - Reserve	373	-	-	-	-	-	373
Oragadam Housing Project Grant	5,263,823	1,500,000	607,401	-	-	-	7,371,224
Finance Management Grant - Reserve	553,729	-	54,778	-	-	-	608,507
Capacity Building - Planning & Dev - Reserve	76,576	-	7,135	-	-	-	83,711
MFMA Implementation Grant - Reserve	4,256	-	170	-	-	-	4,466
City of Januza - Project Initiative	9,060	-	362	-	-	-	9,422
Community Development Workers Fund	33,971	-	3,128	-	(27,100)	-	10,000
HM / Aids Grant - Reserve	75,972	-	7,078	-	-	-	83,050
Town-view Housing Project Grant - Reserve	7,520,481	648,000	793,783	-	-	-	8,962,264
Municipal Reserves Account	849,999	6,700,000	223,946	-	(7,757,153)	-	16,793
Gijima Project Reserves	21,751	-	1,980	-	-	-	23,731
Seda Project Funds	60,479	-	5,635	-	-	-	66,114
	25,320,336	9,504,252	2,605,817	-	(10,970,380)	-	26,460,025
PROVISIONS							
Investment Write-Off	482,859	-	-	-	(408,000)	-	379,899
Staff Leave	627,504	-	-	-	(79,782)	-	547,723
Provision for Bad Debts	20,264,551	4,983,120	-	-	-	-	25,247,651
	21,374,934	4,983,120	-	-	(182,782)	-	26,175,273

MPOFANA LOCAL MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES AS AT 30 JUNE 2009.

	Balance at 30/06/2008	Received During the year	Redeemed or Written off During the year	Balance at 30/06/2009
EXTERNAL LOANS	R	R	R	R
ANNUITY LOANS				
Sewer Services:-				
15.60% Development Bank of South Africa	130,734	-	21,947	108,787
16.32% Development Bank of South Africa	292,240	-	67,859	224,381
Water Services:-				
7.00% Development Bank of South Africa	-	-	-	-
8.00% Development Bank of South Africa	-	-	-	-
8.00% Development Bank of South Africa	-	-	-	-
14.50% Development Bank of South Africa	126,770	-	11,454	115,316
Electricity Services:-				
10.25% Development Bank of South Africa	145,111	-	11,749	133,362
14.30% Development Bank of South Africa	41,865	-	2,227	39,638
14.85% Development Bank of South Africa	736,720	-	115,236	621,484

	Balance at 30/06/2008	Received During the year	Redeemed or Written off During the year	Balance at 30/06/2009
BRIDGING FINANCE	R	R	R	R
9.12% Msekeli Municipal Support Services	-	-	-	-

	Balance at 30/06/2008	Received During the year	Redeemed or Written off During the year	Balance at 30/06/2009
INTERNAL ADVANCES TO BORROWING SERVICES	R	R	R	R
Consolidated Capital Development Fund	8,535,940	-	-	8,535,940
Public Improvement Fund	86,732	-	-	86,732
Housing Operating Account	2,091,297	-	-	2,091,297
	10,713,969	-	-	10,713,969





MPOFANA LOCAL MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS AS AT 30 JUNE 2009.

Expenditure 2007/2008 R	SERVICE	Budget 2008/2009 R	Balance at 30/06/2008 R	Expenditure 2008/2009 R	Written off, transferred or redeemed R	Balance at 30/06/2009 R
5,321,268	RATE AND GENERAL SERVICES	15,376,000	36,138,349	12,737,744	-	48,876,093
5,267,285	COMMUNITY SERVICES	11,756,000	16,267,129	12,521,341	-	28,788,470
14,531	Administration	-	234,861	-	-	234,861
2,517	Council General Expenses, Mayor & MM	-	1,049,549	1,316	-	1,050,865
-	Public Health Conveniences	-	22,650	-	-	22,650
41,451	Public Works / Civil Services	-	562,395	20,291	-	582,686
5,087,390	Roads and Stormwater	11,756,000	13,412,051	12,487,961	-	25,900,032
71,489	Traffic Control	-	239,913	-	-	239,913
49,907	Finance and Admin & Human Resources.	-	745,710	11,753	-	757,463
10,019	SUBSIDISED SERVICES	2,120,000	833,228	96,364	-	919,592
-	Municipal Buildings	-	410,663	41,399	-	452,062
-	Fire Protection	-	-	-	-	-
10,019	Library & Civil Services (8%)	-	125,870	965	-	126,835
-	Museum	-	26,950	-	-	26,950
-	Parks and Recreation	1,970,000	80,635	54,000	-	134,635
-	Town Hall	250,000	179,110	-	-	179,110
43,964	ECONOMIC SERVICES	1,400,000	19,047,992	120,039	-	19,168,031
-	Bruntville	-	17,022,421	13,800	-	17,036,221
9,921	Public Health Administration	-	73,556	-	-	73,556
-	Public Health Refuse	1,200,000	645,531	-	-	645,531
-	Sewerage	-	-	-	-	-
-	Rosetta	200,000	133,578	-	-	133,578
13,453	Testing Ground & Licencing	-	239,616	49,833	-	289,449
20,590	Town Estates & Workshop	-	31,977	2,713	-	34,690
-	Local Economic Development	-	901,313	53,693	-	955,006
8,835	HOUSING SERVICES	-	329,546	-	-	329,546
8,835	Economic Housing	-	329,546	-	-	329,546
19,758	TRADING SERVICES	2,000,000	5,893,427	5,395,441	-	11,288,868
19,758	Electricity	2,000,000	5,893,427	5,395,441	-	11,288,868
-	Water	-	-	-	-	-
-	PUBLIC IMPROVEMENT FUND	-	-	-	-	-
5,340,861	TOTAL FIXED ASSETS	17,376,000	42,361,322	18,133,185	-	60,494,507
5,861,923	LESS: CAPITAL REDEEMED AND OTHER		41,077,681	18,133,185	-	59,210,866
512,062	CAPITAL RECEIPTS		23,257,926	-	-	23,257,926
262,471	Loans redeemed and advances repaid		973,792	249,763	-	1,223,555
-	Contributions ex operating income		6,000	-	-	6,000
5,087,390	Provisions and reserves		13,231,478	17,883,422	-	31,114,895
-	Grants and subsidies		46,060	-	-	46,060
-	Sale of Assets		650	-	-	650
-	Unspent Water Endowment		3,561,780	-	-	3,561,780
-	Bruntville Subsidies and Acc. Funds					
-512,062	NET FIXED ASSETS		1,283,641	-	-	1,283,641



MPOFANA LOCAL MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE **FOR THE YEAR ENDED 30 JUNE 2009.**

Actual 2007/2008 R		Actual 2008/2009 R	Budget 2008/2009 R
	INCOME		
10,288,557	Government and Provincial Grants and Subsidies	12,946,828	13,628,000
4,977,913	Assessment Rates Income	10,514,866	12,737,519
12,748,555	Electricity Sales	17,841,397	15,121,042
16,803,371	Other Income	15,642,448	13,330,541
-	Water Sales	-	-
44,818,396	Total Income	56,945,539	54,817,102
	EXPENDITURE		
11,818,957	Salaries, Wages and Allowances	14,328,736	16,437,716
	General Expenses:		
10,386,368	- Electricity Purchases	15,950,255	15,957,935
9,568,580	- Other Expenses	8,175,275	9,223,747
1,182,594	Repairs and Maintenance	1,187,027	2,396,739
262,471	Capital Cost	-	-
-	Contributions to Capital Outlay	249,763	5,760,000
67,076	Contributions to Provision for DD/Staff Leave	4,903,339	5,000,000
33,286,046	Gross Expenditure	44,794,395	54,776,137
33,286,046	NET EXPENDITURE	44,794,395	54,776,137



MPOFANA LOCAL MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009.

2007/2008 Actual Income	2007/2008 Actual Expenditure	2007/2008 (Deficit)/ Surplus		2008/2009 Actual Income	2008/2009 Actual Expenditure	2008/2009 (Deficit)/ Surplus	2008/2009 Budget (Deficit)/ Surplus
31,768,560	20,521,536	11,247,024	RATE AND GENERAL SERVICES	38,670,767	26,093,799	12,576,968	15,450,854
27,423,850	16,825,609	10,598,241	COMMUNITY SERVICES	36,576,121	21,681,205	14,894,916	24,459,760
17,502,314	6,289,883	10,812,431	Finance and Administration	22,162,210	8,548,884	13,613,326	24,961,007
4,977,913	-	4,977,913	Assessment Rates	10,514,866	-	10,514,866	12,737,519
72,868	6,426,788	(6,353,920)	Council General Expenses	158,716	8,399,331	(8,240,615)	(10,736,310)
-	-	-	Public Health Conveniences	-	-	-	-
-	-	-	Public Street Cleaning	-	-	-	-
8,851	-	8,851	Public Works (Civil Services)	25,628	34,961	(9,333)	(159,432)
-	1,442,388	(1,442,388)	Roads and Transport	-	1,759,175	(1,759,175)	(2,306,725)
4,712,904	1,204,778	3,508,126	Public Safety - Traffic Control	3,714,701	1,456,723	2,257,978	2,234,206
-	-	-	Workshop	-	-	-	-
549,000	1,461,772	(912,772)	Planning and Development	-	1,482,131	(1,482,131)	(2,270,505)
71,564	2,328,918	(2,257,354)	SUBSIDISED SERVICES	87,483	2,592,715	(2,505,232)	(4,532,372)
-	29,682	(29,682)	Museum	-	39,586	(39,586)	(128,463)
-	-	-	Municipal Buildings	-	-	-	-
-	1,325,864	(1,325,864)	Public Health Services (Clinics)	-	1,434,417	(1,434,417)	(967,393)
64	279,927	(279,863)	Library	-	314,758	(314,758)	(397,214)
43,250	7,251	35,999	Cemetery	58,658	47,710	5,948	14,109
-	546,511	(546,511)	Parks and Recreation	-	649,710	(649,710)	(2,568,006)
28,250	139,683	(111,433)	Town Hall	33,825	106,434	(72,609)	(485,405)
4,273,146	1,367,009	2,906,137	ECONOMIC SERVICES	2,007,163	1,819,879	187,284	(4,476,534)
-	6,685	(6,685)	Public Health Administration	-	3,919	(3,919)	(138,503)
3,006,577	801,136	2,205,441	Refuse Removal	408,642	1,150,833	(742,191)	(3,778,681)
264,165	159,137	105,028	Licensing	364,637	198,555	166,082	(445,121)
-	-	-	Sewerage	-	-	-	-
944,458	399,255	545,203	Testing Grounds	1,221,584	462,600	758,984	(189,034)
57,947	797	57,150	Town Estates	12,300	3,972	8,328	74,805
301,281	136,734	164,547	HOUSING SERVICES	411,447	273,693	137,754	(672,513)
301,281	136,734	164,547	Economic Housing	411,447	273,693	137,754	(672,513)
12,748,555	12,627,776	120,779	TRADING SERVICES	17,863,326	18,408,903	(545,577)	(6,220,514)
12,748,555	12,627,776	120,779	Electricity	17,863,326	18,408,903	(545,577)	(6,220,514)
-	-	-	Water	-	-	-	-
44,818,396	33,286,045	11,532,350	TOTAL	56,945,540	44,776,395	12,169,145	8,557,827
		(5,515,591)	Appropriations for this year (refer to note 18)			(13,273,005)	
		6,016,759	Net surplus(deficit) for the year			(1,103,860)	
		(19,618)	Prior year adjustment - water and sanitation not taken into account				
		(1,650,769)	Accumulated surplus/deficit beginning of the year			4,346,372	
		4,346,372	Accumulated surplus/deficit end of the year			3,242,512	



APPENDIX F

STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2009.

2008/2009

2007/2008

General Statistics

Population

Registered Voters

Area (km square)

Property Valuation at 1 July 2008

Land & Buildings

Total

2,199,772,900	97,779,600
2,199,772,900	97,779,600

2007/2008

Number of Properties:

Assessment Rate:

General Rate (per Rand)	Rates Tariffs		Rebates			
	Land	Buildings	Special Residential	General Residention	Commercial	Industrial
Mooi River	R 0.3682	R 0.0195	20%	20%	10%	10%
Rosetta	R 0.1501	0	20%	20%	10%	10%
Bruntville	R 0.6141	0	20%	20%	10%	10%
Townview	R 0.6141	0	20%	20%	10%	10%

2008/2009

Number of Properties:

Assessment Rate:

General Rate (per Rand)	Rates Tariffs	Normal Rebates	Phase Inn Discounts
Categories			
Residential	R 0.01	30%	0%
Commercial	R 0.35	0%	0%
P/Service Infra	R 0.0125	30%	75%
Agricultural	R 0.01	30%	75%

Electricity Statistics

Units (kWh) purchased ('000)

63,524,001

55,093,283

Units (kWh) sold ('000)

53,777,229

42,298,266

Units (kWh) lost in distribution ('000)

9,746,772

12,795,017

Percentage lost in distribution

15%

23%

Cost per unit sold

R 0.30

R 1.30

Income per unit sold

R 0.28

R 1.20

Water Statistics

Kl Sold

-

-

Income per kl sold

R -

R -

Water and Sanitation Statistics will be shown in the Annual Financial Statements for uMgungundlovu.



5. Functional Area Service Delivery Reporting.

5.1 Finance Department.

Function:	Finance and Administration
Sub-Function:	Finance

Reporting Level	Details	Totals
Overview:	This function includes all activities relating to the finance functions of the Municipality. Grants information for 2008/2009 is disclosed in Appendix A and Note 28 of the Annual Financial Statements.	
Description of Activities	<p>The function of the finance department within the Municipality is administered and includes the following functions: Income; Consolidated Billing; Levying of Property Rates; Managing Debtors; Receipting of Income by cashiers; Reading of metered services; Financial Management System and Control (VENUS); Expenditure Monitoring (Capital and operational); Payroll Management; Records and Administration; management of Creditors; Budget Compilation and Budgetary Control; Preparation and Distribution of Management Accounts; Investments Management and Control; Project co-ordination and special Funds Management; Costing; Annual Financial Statements and Supply Chain Management.</p> <p>The Municipality has a mandate to deliver services to its entire citizen in a manner that is fair equitable and just taking into account efficient use of resource provided for the purpose of delivering such services.</p> <p>The strategic issue of the finance section is;</p> <ul style="list-style-type: none"> • Improve liquidity; • Create cash reserves, and • Development of financial policies and procedures. <p>The key issues for 2008/2009 were as follows:</p> <ul style="list-style-type: none"> • To improve financial management to ensure sustainable financial viability. 	



Analysis of function	1. Debtors Billings and value of annual billings:			
	<ul style="list-style-type: none"> Property Rates Electricity Refuse Removal Totals 	5446 815 128		R10,559,951 R16,411,099 <u>R 463,550</u> <u>R26 971 050</u>
	2. Debtors Collections and value of annual billings:			
	<ul style="list-style-type: none"> Property Rates Electricity Refuse Removal Totals 	5446 815 128		R3, 349, 680 R9 321 443 <u>R 532, 940</u> <u>R13 204 063</u>
	3. Debtors Age Analysis (30, 60, and 90 Plus Days)			
		<u>30 Days</u>	<u>60 Days</u>	<u>90 Days +</u>
	<ul style="list-style-type: none"> Property Rates Electricity Refuse Removal Totals 	R720 909 R1 294 935 R 24 697 R2 040 541	R657 308 R1 047 634 R 12 256 R1 717 196	R20 935 676 R 7 349 450 R 6 866 235 R 35 151 361
	4. Debtors Written-Off – 2008/2009.			
	No debtors were written-off during the year under review. Council took a resolution to write off all debts relating to indigent customers. This will be done in 2008/2009 financial year.			<u>R – Nil</u>
	5. Property Rates (Residential)		<u>Total No.</u>	<u>Total Value</u>
	<ul style="list-style-type: none"> Properties Rated Properties Not Rated Exempted Properties 		4942 0 504	R2,184 881 900 R - R2 726 088 000



	6. Property Rates (Commercial) <ul style="list-style-type: none"> • Properties Rated • Properties Not Rated • Exempted Properties 	238 None None	R93 285 100 R - Nil R Nil
	7. Property Valuations <ul style="list-style-type: none"> • Year of Last Valuation • Regularity of Valuation The current valuation roll became effective from 02 nd July 2008 when the Municipality started to implement Municipal Property Rates Act No. 06 of 2004.	2007/2008 4 year cycle	
	8. Indigent Policy <ul style="list-style-type: none"> • Number of Households affected Council resolved to increase the subsidy to include free domestic refuse collection to all domestic households.	2800	
	9. Creditors Payments The Municipality had no Creditors that were due for more than 30 days in 2009		
	10. Credit Ratings Mpofana Municipality has received no credit ratings for the past financial years.		<u>None</u>
	11. External Loans <ul style="list-style-type: none"> • DBSA 14.35% Electricity Loans • UMsekeli Bridging Finance Total Outstanding		R 101 260 <u>R1, 079, 951</u> <u>R1,181, 211</u>
	12. Default and Delayed Payments There were no default and delayed payments during the year under review.		<u>R – Nil</u>



Function:	Finance
Sub-Function:	Supply Chain Management (Procurement)

Reporting Level	Details	Totals
Overview:	This function includes all activities relating to the overall procure functions of the Municipality including costs associated with orders, tenders, contract management etc.	

Description of Activities	<p>The function of the supply chain management unit within the Municipality is administered and includes the following functions: Demand Management (Specification Committees, Requisitions and motivations); Acquisition Management (Advertising of tenders, obtaining of quotations and ordering of goods and services; evaluation of bids and appointment of service providers); Logistics Management (arranging storage for goods not required immediately, stock and inventory management systems recording in the appropriate registers); and Disposal Management (Disposing goods which are no longer required by the Municipality).</p> <p>The supply chain management unit of the Municipality does not take part in the procurement processes where goods and or services are to be paid for by either the National or Provincial Government Departments and or District Municipality where goods will be used for the purposes of supporting the Mpofana Municipality.</p> <p>The Municipality has a mandate in terms of the Constitution of the Republic of South Africa of 1996 section 217 to develop a policy that will regulate the procurement of goods and services within an institution in a manner that is cost effective, fair, transparent and equitable to all the service providers or suppliers.</p> <p>The strategic issue of the finance section is</p> <ul style="list-style-type: none"> to promote transparency, cost effectiveness and equity in the procurement of goods and services. <p>The key issues for 2008/2009 are as follows:</p> <ul style="list-style-type: none"> Review of Supply Chain Management policies and procedures; and Train Supply Chain Management Practitioners 	
---------------------------	--	--



Analysis of function	1. Details of tenders / procurement activities: <ul style="list-style-type: none"> • Number of tender committee meetings during the year; • Number of tenders considered; • Number of Tenders approved • Average time taken from the tender advertisement to awarding of tender. 	04 04 03 01 Month
	2. Details of Tender Committee Members <ul style="list-style-type: none"> • Chief Financial Officer (Chairman of the Committee); Other member who have a standing appointment. • Manager Corporate Services; • Manager Technical Services; and • Manager Social Services. 	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1. Liquidity Management.	<ul style="list-style-type: none"> • The relationship with municipal debt collectors (Venn Nemeth and Hart) has been revived. • The capacity of the internal credit control unit has been negatively affected by the resignation of the credit control officer and the vacancy will be filled in due course. 		<ul style="list-style-type: none"> • Revive the relationship with the Municipal debt collectors to ensure that debtors who do not pay are handed over to the Municipal Attorneys. • Develop ongoing processes aimed at strengthening internal capacity for efficient and effective credit control measures
2. Revenue Management.	<ul style="list-style-type: none"> • The Municipality has prepared its GV in terms of the MPRA and this has increased revenue by 14% • Serious interventions for Local Economic Development need to be initiated to further expand 	14% Increase in Revenue Budget.	<ul style="list-style-type: none"> • Expand the revenue base of the Municipality by ensuring that the Municipality prepare for the implementation of MPRA.



	<p>the revenue base.</p> <ul style="list-style-type: none"> The Municipality has since maintained a grants register but this can be further improved by ensuring that the register is maintained on a regular basis. 	ongoing	<ul style="list-style-type: none"> Maintain an up to date grants register and ensure that all transactions in relation to grants are all recorded.
3. Expenditure Management.	<ul style="list-style-type: none"> The Municipality has always tried to pay its Creditors within the due date except in cases where the Municipality's cash-flow situation is weak. This situation can be improved by making sure by making sure that there is maximum collection of revenue. Where revenue is not sufficient, expenditure needs to be limited to monthly collections. The Municipality budget has always showed achievement of this benchmark but when it comes to implementation of the budget this achievement is lost due to poor cash flow. In order to improve this, the Municipality needs to maintain its expenditure pattern as reflected by the budget and this can only be achieved through maximum collection of revenues due. 	<p>All creditors paid within reasonable time period.</p> <p>Measures are in place to improve credit control and debt collection.</p>	<ul style="list-style-type: none"> Prepare and make payments to Creditors within 30 days after the invoice date. Put in place control measures to reduce and limit expenditure within the capacity to raise concomitant revenues.
4. Planning & Budgeting.	<ul style="list-style-type: none"> The Municipality has maintained a good record in as far as budget preparation is concerned. The Municipality needs to 	Budget preparation completed within legislated	<ul style="list-style-type: none"> Prepare annual budgets and have it approved within the required period in terms of the



	ensure that the budget prepared is 100% linked to IDP.	timeframe	Municipal Finance Management Act.
5. Asset Management.	<ul style="list-style-type: none"> At the end of the financial year the asset register is updated in the system because the Municipality does not have a license for the system. In order to improve the Municipality will be acquiring the license and be able to update the system on a regular basis. The Municipality maintains a spreadsheet where all assets acquired during the year are captured. The Municipality has performed the necessary count and verification and some assets which could not be physically identified were written off by Council resolution. 		<ul style="list-style-type: none"> Maintain an up to date assets register on a regular basis and ensure that 100% of assets related transactions have been recorded. Perform physical count and verification of all assets included in the assets register at least 2 time a year to prepare for annual audits.
6. Financial Reporting.	<ul style="list-style-type: none"> These reports are prepared within 10 days after the end of each month. The Municipality has complied with legislation and submitted all required reports but the quality of reports still needs to be improved. This report is required at least on the 27th of January each. The Municipality has complied with this requirement as per section 72 of the MFMA. 	Annual financial	<ul style="list-style-type: none"> Generate and distribute monthly reports to Council and Departmental Managers i.r.o. I & E. Preparation of Mid Year Review report for submission Preparation of annual financial



	<ul style="list-style-type: none">• Preparation of Annual Financial Statements within 2 months after end of the financial year. The Municipality has complied with this target and the AFS were prepared and finalized within the deadline date.	statements prepared and submitted within the prescribed timeframe	statements (08/09)
--	--	---	--------------------



5.2 Social, Economic and Planning Services.

Function:	Health
Sub Function:	Clinics

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of a continuum of Primary Health Care Services		
Description of the Activity:	<p>The function for the provision of community health clinics within the municipality is administered as follows and includes:</p> <p>The Municipality has three Primary Health Clinics which render a full continuum of Primary Health Care Services for both chronic and acute illnesses to predominantly urban areas.</p> <p>These services extend to include areas such as Rosetta, Bruntville, and Mooi River. All of these areas are within the old TLC boundaries. Areas outside this perimeter are serviced by the Provincial Department of Health by way of mobile clinics</p> <p>Mandate In terms of the Constitution of the RSA the mandate of the Municipality is the promotion of a safe and healthy environment.</p> <p>Strategic objectives To ensure provision of holistic primary health care service To ensure access to quality primary health care Develop and implement the HIV and AIDS strategy. Effective functioning of local Aids Council.</p> <p>The key issue/s for 2008/09 are:</p> <ul style="list-style-type: none"> To formulate and implement an integrated primary health care programme for efficient provision of health facilities, including clinics, mobile clinics and HIV/AIDS support centres. 		
Analysis of the Function:	<p>1 Number and cost to employer of all health personnel:</p> <ul style="list-style-type: none"> - Professional (Doctors/Specialists) - Professional (Nurses/Aides) - Para-professional (Clinic staff qualified) 	<p>0</p> <p>2</p> <p>1</p>	



	<ul style="list-style-type: none"> - Non-professional (Clinic staff unqualified) - Temporary - Contract 	9 0 0	
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	12	R22 437 034
2	Total annual patient head count for service provided by the municipality: <ul style="list-style-type: none"> - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Other	- - - - 19 524	
3	Estimated backlog in number of and costs to build clinics: Clinics for both Middelrus and Tendele Note: total number should appear in IDP, and cost in future budgeted capital works programme	2	R5, 000, 000
4	Type and number of grants and subsidies received: <i>Department of Health State Subsidy</i> Note: total value of specific health clinic grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	R Nil	R Nil
5	Total operating cost of health (clinic) function:		R 1, 288, 384
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Social Development	<ul style="list-style-type: none"> - numerous workshops with various stakeholders held and the HIV strategy finally adopted - implementation plan to be developed and implemented in the following year 	HIV strategy developed	Develop and implement the HIV strategy



Function:	Planning and Development		
Sub Function:	Economic Development		
Reporting Level	Detail	Total	
Overview:	This function includes all activities associated with development planning and economic development initiatives within the Municipality		
Description of the Activity:	The function of planning / development within the municipality is administered as follows and includes: Town and Regional Planning, Development Planning and Local Economic Development		
	Mandate In terms of the Constitution of the RSA the mandate of the Municipality is the promotion of social and economic development		
	The strategic objectives of this function are to: <ul style="list-style-type: none"> Develop the necessary capacity and economic development programmes Develop land development plan for economic development through area based plans Implementation of the Tourism Development Strategy Establishment of an Economic Development Forum Effective management including marketing of Tourism Information office Entrepreneurship Training and support Implementation of trading regulations /policy and by-law. Develop and implement Marketing Plan Prepare and implement the Infrastructure Development Plan for economic development. Develop and implement a business retention & expansion strategy 		
	Key issue/s for 2008/2009 <ul style="list-style-type: none"> How do we create/ensure a conducive environment for economic growth and development? 		



Analysis of the Function:	Number and cost to employer of all economic development personnel:		
1	- Professional (Directors / Managers)	1	R 165 665
	- Non-professional (Clerical / Administrative)	0	0
	- Contract	0	R 0
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	1	R 165 665
	Detail and cost of incentives for business investment:	0	0
2	Rates and Service Incentives for Tai Yuen Textiles		R599 358
	Detail and cost of other rural development strategies:		
3	None		R 0
4	Value of building plans approved	26	R9 039 000
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Development Planning	IDP developed and adopted timeously. The municipality is to explore, depending on the availability of resources when aligning the budget to the IDP, the possibility of reflecting area based planning.	IDP prepared and adopted end of June 2009	IDP reviewed and adopted by 30 June.
	The Spatial Development Frameworks (SDF) has been reviewed. The framework needs further annual refinements given the extent of the development pressures in areas with conflicting definition of land use.	SDF reviewed and adopted.	Reviewed SDF by 30 June 2009
	Development of the Land Use Management System (LUMS)	The project is 95 % complete	Completed LUMS by end of December 2008.
	Plan not developed due to limited capacity. Capacity in the LED and Planning units to be bolstered and include the target in the strategic objective of the department.	0 %	Completed Land acquisition plan for economic development through the area based plans of the Department of Land Affairs
	Data has been updated through the annual process of the maintenance and completion of the valuation roll by municipal valuers. The municipality will develop additional capacity within the planning unit to carry out this function on a continuous basis.	100%	Maintenance of cadastral data



Function:	Social Services		
Sub Function:	All inclusive		

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various social services within the municipality is administered as follows and includes:</p> <p>The Municipality has two libraries, a museum and a Youth Advisory Centre. These service points are located at a central point in Mooi River and Bruntville for easy access from all four (4) municipal wards.</p> <p>Mandate In terms of section 152 of the RSA constitution the mandate of the Municipality is the promotion of social and economic development</p> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> - To ensure improved quality of education and adequate access to educational facilities. - To promote equal access to social and recreational facilities - To promote HIV and Aids awareness and education - To promote access to art and culture opportunities - To empower the youth to become active and responsible participants in terms of self development and society as a whole. <p>The key issues for 2008/09are:</p> <ul style="list-style-type: none"> • Develop the necessary capacity and social development programmes 		



Analysis of the Function:			
1	Nature and extent of facilities provided:	no of facilities:	no of users:
	- Library services	2	1400
	- Museums and art galleries	1	150
	- Youth Advisory Centre)	1	1628
	- Sporting facilities (specify)	15	N/A
	- Parks	3	15432
2	Number and cost to employer of all personnel associated with each community services function:		R(000s)
	- Library services	3	282758
	- Museums and art galleries	1	28319
	- Youth Advisory Centre	2	170 000
6	Total operating cost of social services function		481 077

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Social Development	<p>Site identified at Riversdale but found to be unsuitable. Consideration need to be given to the original idea of locating the FET at Eminyezaneni High School.</p> <p>Project could not take due to limited resources. Feasibility study to be completed. Business plan to be developed for sourcing funds.</p>	<p>Negotiations in progress for the identification of the suitable site for the FET.</p> <p>Feasibility stage</p>	<p>Establishment of the FET college.</p> <p>Facilitate the establishment for the Hospice to support those</p>



	Programme operational but requires dedicated focus to monitor and track outcomes. Programme to receive special attention by the Social Services department	ABET programme operational.	affected and in need of care. Develop and implement the programme to promote ABET centre
--	--	-----------------------------	---



5.3 Technical Services.

Function:	Technical Services
Sub Function:	Waste Management-Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	<p>The waste management functions of the municipality are administered as follows and include:</p> <p>Refuse removal from door to door and street corners on weekly basis and transport it to landfill.</p> <p>Landfill site compaction and daily cover.</p> <p>Street Cleaning</p> <p>The municipality has a mandate to:</p> <ul style="list-style-type: none">• Provision of basic services to communities in a sustainable manner in terms of section 152 of the RSA constitution• promotion of a safe and a healthy environment <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none">• To develop and implement the waste management plan• To develop and implement a general maintenance plan <p>The key issues for 2008/09 are:</p> <p>Creating/ensuring a conducive and healthy environment for the community?</p>		

Analysis of the Function:			
1	Number and cost to employer of all personnel associated with refuse removal: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p style="text-align: center;">TOTAL</p> Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	 7	R (000s) 856 227
2	Number of households receiving regular refuse removal services, and frequency and cost of service: - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal Note: if other intervals of services are available, please provide details	 n/a n/a n/a n/a	R (000s) R155 717 0 0
3	Total and projected tonnage of all refuse disposed: - Domestic/Commercial - Garden Note: provide total tonnage for current and future years activity	 600 250 850	
4	Total number, capacity and life expectancy of refuse disposal sites: - Domestic/Commercial (number) - Garden (number)	 1	 2yrs
Reporting Level	Detail	Total	
5	Anticipated expansion of refuse removal service: - Domestic and - Garden	 9645	R (000s) R2 367 563
6	Free Basic Service Provision: Free refuse removal service is provided to all domestic households		R1 011 944



7	Total operating cost of solid waste management function		R (000s) R1 011 944
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1.To develop a waste management plan	<p>Waste management plan not developed yet due to limited financial resources.</p> <p>General maintenance frequently carried out with limitations on the sustenance of programmes due to limited resources. Additional capacity to be built to cope with demand. More staff to be employed and additional equipment to be procured.</p>	nil	<p>Develop waste management plan</p> <p>General maintenance plan</p> <ol style="list-style-type: none"> 1) Grass Cutting (Pavements, verges, Sports fields, Community Centres and Public Areas) 2) Maintenance of municipal gardens. 3) Routine Maintenance: Bruntville, Townview, CBD and Suburbs Area 4) Refuse Site: Daily Maintenance



Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> Assessment of the housing need. Packaging of projects based on the need and submitting applications to the Department of Housing for funding Housing project management 	Description of the Activity:	The function of provision of housing within the municipality is administered as follows and includes:
	<p>The strategic objectives of this function are:</p> <p>To reduce the housing backlog and ensure the provision of basic housing to the community.</p> <ul style="list-style-type: none"> access to basic housing (no of houses built and handed over to beneficiaries) <p>The key issues for 2008/09 are:</p> <ul style="list-style-type: none"> Mobilization of resources and continuous development of capacity to provide decent housing for the community? 		
Analysis of the Function:	<p>1 Number and cost of all personnel associated with provision of municipal housing:</p> <ul style="list-style-type: none"> - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.</p>	<p>1</p> <p>1</p> <p>2</p>	<p>R (000s)</p> <p>R450 000</p> <p>R61 780</p> <p>R511 780</p>



	2	Number and total value of housing projects planned and current: - Current (financial year after year reported on) - Planned (future years)	1560 636	R (000s) 0 100m
	3	Total type, number and value of housing provided: Note: total number and total value of housing provided during financial year	1560	R (000s) 0
	4	Total number and value of rent received from municipal owned rental units	70	R (000s) 247 808
	5	Estimated backlog in number of (and costs to build) housing: Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	2727	R (000s) 200 000 000
	6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet	6870 2383 100 258 150	
		Reporting Level	Detail	Total
	7	Type and number of grants and subsidies received:		R (000s)
		Housing Rehabilitation Programme	1560	0



Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
To reduce the housing backlog and ensure the provision of basic housing to the community.	Application for Sierra Ranch project is being considered by the Department for approval Tendele project not commenced with due to landownership issues.	Application submitted to Housing Department for approval. Nil	<ul style="list-style-type: none"> • Packaging, Implementation and securing funding for the Sierra Ranch Housing project • Packaging, Implementation and securing funding for the Tendele Housing project
To ensure finalization of existing housing projects.	Rectification of Townview houses in progress.	Rectification in progress	<ul style="list-style-type: none"> • To ensure the rectification and rehabilitation of the existing housing projects.(Town view)



Function:	Technical Services
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <p><i>Roads repairs and construction</i></p> <p>These services extend to include the construction and maintenance of municipal roads, but do not take account of provincial and national roads which reside within the jurisdiction of provincial and national government. The municipality has a mandate to:</p> <ul style="list-style-type: none"> • Provision of basic services to communities in a sustainable manner in terms of section 152 of the RSA constitution • Promotion of social and economic development • promotion of a safe and a healthy environment <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> • Develop roads network plan for construction and upgrading of roads in Mpofana. • Develop and Implement Infrastructure Maintenance Plan • To create and ensure a conducive environment for Economic Growth and Development • To ensure continuous improvement in the level and quality of service delivery 		



	<p>The key issue/s for 2008/09 are</p> <p>Mobilization of resources to continuously improve the level and quality of service delivery?</p>		
--	--	--	--



Analysis of the Function:			
1	Number and cost to employer of all personnel associated with road maintenance and construction: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	n/a 1 0 16 0 0 17	R (000s) 1365406
2	Total number, kilometres and total value of road projects planned and current: - New bitumenised (number) - Existing re-tarred (number) - New gravel (number) - Existing re-sheeted (number)	8kms 0 n/a n/a	R (000s) 8.65 mill 0 n/a n/a
3	Total kilometres and maintenance cost associated with existing roads provided - Tar - Gravel Note: if other types of road provided, please provide details	8km 5kms	R218 228 R93529 R311 764
4	Average frequency and cost of re-tarring, re-sheeting roads - Tar - Gravel Note: based on maintenance records	n/a n/a	R (000s) n/a n/a
5	Estimated backlog in number of roads, showing kilometres and capital cost - Tar - Gravel	17km 20km	R (000s) R22 mill R6 000 000
Reporting Level	Detail	Total	Cost
6	: Total operating cost of road construction and maintenance function		R (000s) R1 752 9174



Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Develop roads network plan for construction and upgrading of roads in Mpofana.	<p>Gwala Park roads project has been commenced with and will be completed in 09/10</p> <p>CBD roads (Phase1) is 90% complete and negotiations with the Provincial Department of Transport are under way for partnership in the phase 2</p> <p>Existing roads are routinely maintained to the extent that financial resources and general capacity allow.</p>	<p>40% complete</p> <p>90% complete</p> <p>ongoing</p>	<p>Road upgrade: Gwala Park</p> <p>.Upgrade of CBD Roads.</p> <p>General maintenance of existing road infrastructure</p>



Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p>Distribution of electricity to all areas within the old TLC boundaries.</p> <p>These services extend to include distribution of electricity in Mooi River, but exclude areas like Rosetta and most of the farming areas which resides within the jurisdiction of Eskom. The municipality has a mandate to:</p> <ul style="list-style-type: none"> • Provision of basic services to communities in a sustainable manner in terms of section 152 of the RSA constitution • Promotion of social and economic development 		
	<p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> • Develop an electrification plan (taking into account backlogs, particularly in ward 4 and 2 Rocky drift Electrification and Muden Electrification). • Upgrade of Electricity network & substation. • To formulate the grid and non grid supply networks in the Local Municipality <p>The key issues for 2008/09 are:</p> <p>To ensure that all households have access to basic level of services.</p>		



Analysis of the Function:			
1	Number and cost to employer of all personnel associated with the electricity distribution function: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.	1 3 6	R (000s) 1 3464963

2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer Total Bulk Purchases	45862493	R (000s) 15 950 254
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer: Total Electricity receipts		R (000s) 17 863 326
4	Total year-to-date electricity losses in kilowatt hours and rand		R (000s) 545 577
5	Number of households with electricity access, and type and cost of service:		R (000s)
Reporting Level	Detail	Total	Cost
	- Electrified areas - Municipal - Eskom TOTAL	4000 600 4600	17 863 326
6	Number and cost of new connections:	176	R (000s) 102 769
7	Number and cost of disconnections and reconnections	2005	R (000s) 152 200
8	Number and total value of electrification projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	0 4473	R (000s) 0 24 601 500



9	Anticipated expansion of electricity service: Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality 1 st Year 2 nd Year 3 rd Year 4 th Year 5 th Year	895 895 895 895 895	R (000s) 5500 5500 5500 5500 5500
10	Estimated backlog in number (and cost to provide) Electricity connection:	4473	R (000s) 24 601 500
11	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	0 0	
	Type and number of grants and subsidies received:		R (000s)
	Capacity Upgrade- Department of Minerals and Energy		0
12	Total operating cost of electricity distribution function		R (000s) 17 863 326

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
To ensure that all households have access to basic level of household services.	<p>The electrification plan is not yet developed due to limited financial resources and capacity constraints.</p> <p>The upgrade of the sub station has been completed and the distribution capacity doubled.</p> <p>Agreement with EDI is in place. Section 78 assessment to be commenced with.</p>	Upgrade of the substation is 100% complete	<ul style="list-style-type: none"> Upgrade of Electricity network & substation. To formulate the grid and non grid supply networks in the Local Municipality develop REDS Preparation Plan(Technical) Develop an electrification plan (taking



			into account backlogs, particularly in ward 4 and 2 Rocky drift Electrification and Muden Electrification) .
--	--	--	--



5.4 Corporate Services and Administration.

Function:	Corporate Services
Sub-Function:	Human Resources

Reporting Level	Details	Totals	
Overview:	Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction – also performance management systems, code of conduct detail and decision making systems and industrial relations. Note: Read in conjunction with Chapter 3 on Human Resource Management.		
Description of Activities	<p>The function of human resource management within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> • Recruitment and selection. • Industrial relations. • Human resource development. • benefits <p>The municipality has a mandate to:</p> <ul style="list-style-type: none"> • give effect to and regulate the fundamental rights conferred by Section 27 of the Constitution; • give effect to obligations incurred by the Republic as a member of the International Labour Organization; • provide a framework within which 		



	<p>employees and their trade unions, employers and employers organizations can collectively bargain;</p> <ul style="list-style-type: none"> to promote orderly collective bargaining, collective bargaining at sectoral level, employee participation in decision-making in the workplace and effective resolution of labour disputes. <p>The strategic objective of this function is to:</p> <ul style="list-style-type: none"> Instill, advance and sustain a good organizational culture, sound labour relations and service excellence. <p>The key issue for 2008/09 are:</p> <ul style="list-style-type: none"> Institutional/organizational development. 		
Analysis of function	Total staff complement and cost to the municipality	Total	Cost
	Number and cost to employer of all municipal staff employed:	2	94 658.14
	<ul style="list-style-type: none"> - Professional/Managerial - Field (Supervisory) - Office (Clerical/Administrative) - Non-professional(blue collar, outside workforce) - Temporary Staff - Contract Staff 	0 0 2 0 0 0	94658.14



Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<ul style="list-style-type: none"> Managing Human Resources Division to ensure sound labour relations 	<p>Development of job descriptions completed and are to be evaluated on an ongoing basis and/when necessary.</p> <p>Some of the targets not achieved due to limited capacity in the Human Resources Division.</p>		<ul style="list-style-type: none"> Develop Job descriptions Employee performance is assessed at least four times a year. develop individual learning plans Develop and monitor the implementation of the skills development Plan. Develop and monitor the implementation of the Equity Plan. Develop and implement training programmes/manuals Develop and implement the Individual Performance Management System Develop and implement a bursary scheme/policy Develop and implement an image enhancing programme Develop a customer service programme.



Function:	Corporate Services
Sub-Function:	Traffic & Law Enforcement

Reporting Level	Details	Totals	
Overview:	This function includes police force and traffic (and parking) control		
Description of Activities	<p>The function of the policing and traffic control within the Municipality is administered and includes the following functions: Law Enforcement, Vehicle Testing Drivers Licensing, Vehicle Testing and Camera Office.</p> <p>These services extend to include the testing of Learners licenses, Drivers licenses, renewal of driving licenses, professional driving permits, duplicate learners and driving licenses, eye tests and finger prints, e-natis transactions; renewal of motor vehicle licenses, registration of motor vehicles, licensing, scrapping, roadworthy certificates, special and temporary licensing; callouts, law enforcement, visible policing, crime prevention, capture of traffic violations but do not take account of overload control (way bridge), (de)registration of offices, training of authorized officers which resides within the jurisdiction of the Department of Transport. The Speed Camera Office processes and captures camera infringements, posts all speed camera fines and collects fines.</p> <p>The Municipality has a mandate in terms of National Road Traffic Act to provide for road traffic control and the implementation of the Act which shall apply uniformly throughout the jurisdiction of the municipality and for matters connected therewith.</p> <p>The strategic objective of the Traffic Section is to</p> <ul style="list-style-type: none"> To develop and implement systems, procedures and controls that will ensure effective and efficient management of the traffic and law enforcement unit (Law enforcement testing ground and licensing section) 		



	<p>The key issues for 2008/2009 were as follows:</p> <ul style="list-style-type: none"> • Implementation / Enforcement of the National Road Traffic Act 1996 as amended • Compliance with the Learners and Driving Licence Testing policies and procedures manual 		
Analysis of function	<p>1. Details of Law Enforcement activities:</p> <ul style="list-style-type: none"> • Number and cost to employer of all personnel associated with Traffic and Law Enforcement: 	15	1 334 229.91
	<p>2. Total number of call-outs attended: Emergency call-outs:</p>	34	
	<p>3. Average response time to call-outs:</p>	5	
	<p>4. Total number and type of Emergencies leading to loss of life or disaster: Type of call-outs vary between vehicle accidents, fire hazards, obstacles and SAPS call-outs</p>		
	Total operating cost of the traffic function		R1 919 323.00



Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Effective and efficient management of the traffic and law enforcement.	There is a fully functional Traffic and Safety unit that ensures full implementation and enforcement of the National Road and Traffic Act and all other relevant pieces of legislation.	ongoing	<ul style="list-style-type: none"> • implementation and enforcement of the National Road Traffic Act • Compliance with the Learners and Driving licence Testing policies



Function:	Corporate Services
Sub-Function:	Administration & Support Services

Reporting Level	Details	Totals	
Overview:	This function includes the provision of support services to both the administrative and political structures of the municipality.		
Description of Activities	<p>The function of the Administration and Support Services within the Municipality is administered and includes the following functions: management of municipal property, management of committee, capital and operations budget, provision of administration support to political structure and management of community facilities.</p> <p>The Municipality has a mandate in terms of the Constitution of the Republic of South Africa to ensure the provision of services to communities in a sustainable manner.</p> <p>The strategic issue of the Administration & Support Services is;</p> <ul style="list-style-type: none"> • Development of policies, procedures and work schedules for hygienic and good housekeeping in all Municipal Administration Buildings; • To develop controls and procedures for management of administration facilities and equipment. • To put in place and sustain an effective secretariat, registry and reception activities. • To manage effectively all contracts with service providers. <p>The key issues for 2008/2009 were as follows:</p> <ul style="list-style-type: none"> • to develop and maintain an economical, effective, efficient, accountable and performance driven support and administration service . 		



Analysis of function	Details of the Administration and Support activities: <ul style="list-style-type: none"> Number and cost to employer of all personnel associated with Administration & Support: 	Total No. 18	Total Cost 1 962 439
----------------------	--	-----------------	-------------------------

5.2 **Performance Targets and Indicators set and extent achieved.**

KPA No.	KEY PERFORMANCE TARGETS	PERFORMANCE INDICATORS	EXTENT ACHIEVED
	<p>Collation of input and submission of reports for the compilation of agendas for all Council and Portfolio Committee meetings.</p> <p>Continuous management of all contracts with service providers.</p> <p>Development of policies, procedures and work schedules for hygienic and good housekeeping in all Municipal Administration Buildings;</p>	<ul style="list-style-type: none"> System in place - ongoing Ongoing Ongoing 	<ul style="list-style-type: none"> In place and ongoing under continuous assessment In place and under continuous assessment. Municipal buildings maintained on a continuous basis



Function:	Corporate Services
Sub-Function:	Legal Services

Reporting Level	Details	Totals	
Overview:	This function includes the provision of legal services to the municipality.		
Description of Activities	<p>The function of the Legal Services includes the provision of legal advice to the Municipality to ensure that it does not attract undue obligations.</p> <p>The Municipality has a mandate in terms of the Constitution of the Republic of South Africa to make and administer laws for the effective administration of the matters which it has the right to administer.</p> <p>The strategic issue of the Legal Services is ;</p> <ul style="list-style-type: none"> • To review by-laws, keep record of all transgressions and action taken. • Provision of good legal advice to ensure that the municipality does not attract undue obligations. • Communication of all by-laws to the public. 		
Analysis of function	<p>Details of the Legal Services activities:</p> <ul style="list-style-type: none"> • Number and cost to employer of all personnel associated with Legal Services: 	<p><u>Number</u></p> <p>1</p>	<p><u>Cost</u></p> <p>360 000.00</p>



Performance Targets and Indicators set and extent achieved.

KPA No.	KEY PERFORMANCE TARGETS	PERFORMANCE INDICATORS	EXTENT ACHIEVED
	<p>To develop and review municipal by-laws.</p> <p>To provide legal advice to the municipality.</p>	<p>To keep records of all by-laws transgressions and action taken.</p> <p>To provide legal advice to the municipality to ensure that it does not attract undue obligations.</p>	<ul style="list-style-type: none">• By laws not yet reviewed due to financial constraints• In place and under continuous assessment.



6. Conclusion.

The Municipality appreciates contribution made by all stakeholders towards 2008/2009 achievements and an effort is being to improve in future financial years.